

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

SIMPLIFICATION LLC,)	
)	
Plaintiff,)	
)	
v.)	C.A. No. 03-355 (JJF)
)	C.A. No. 04-114 (JJF)
BLOCK FINANCIAL CORPORATION and)	CONSOLIDATED
HRB DIGITAL, LLC,)	
)	JURY TRIAL DEMANDED
Defendants.)	

THIRD AMENDED COMPLAINT

For its Third Amended Complaint against Defendants Block Financial Corporation (“BFC”) and HRB Digital, LLC (“HRB Digital”) (collectively, “Defendants”), Plaintiff Simplification, LLC (“Simplification”), by and through its undersigned attorneys, alleges as follows:

THE PARTIES

1. Simplification is a company organized and existing under the laws of the State of Delaware.
2. BFC is a corporation organized under the laws of Delaware, with its principal offices in Kansas City, Missouri.
3. Upon information and belief, HRB Digital is a limited liability company organized under the laws of the state of Delaware and is related to BFC. HRB Digital is the surviving entity of the merger of former Defendant H&R Block Digital Tax Solutions, LLC (“DTS”) into HRB Digital, and as such is the successor-in-interest to the rights, duties, and liabilities of DTS. Also upon information and belief, HRB Digital does business within this District.

JURISDICTION AND VENUE

4. This is an action for patent infringement arising under the patent laws of the United States, and more particularly, under 35 U.S.C. §§ 271, 281, 283, 284 and 285.

5. Jurisdiction in this Court is proper, pursuant to 28 U.S.C. §§ 1331 and 1338(a).

6. Venue in this District is proper under 28 U.S.C. §§ 1391 and 1400(b).

BACKGROUND

7. On March 13, 2001, United States Patent No. 6,202,052 (the “‘052 Patent”), entitled “Fully-Automated System for Tax Reporting, Payment and Refund” was duly and legally issued. A true and correct copy of the ‘052 Patent is attached to this Third Amended Complaint as Exhibit A.

8. The ‘052 Patent was duly assigned to Simplification, and the face of the ‘052 Patent indicates Simplification is the assignee of the ‘052 Patent.

9. The ‘052 Patent was issued from U.S. Patent Application No. 09/073,027, and claims the benefit of U.S. Provisional Patent Application No. 60/045,945, filed on May 8, 1997.

10. On February 24, 2004, United States Patent No. 6,697,787 (the “‘787 Patent”), entitled “System for Collecting Tax Data” was duly and legally issued. A true and correct copy of the ‘787 Patent is attached to this Third Amended Complaint as Exhibit B.

11. The ‘787 Patent was duly assigned to Simplification, and the face of the ‘787 Patent indicates Simplification is the assignee of the ‘787 Patent.

12. The ‘787 Patent was issued from U.S. Patent Application No. 09/776,707, and is a continuation of U.S. Patent Application No. 09/073,027, which issued as the ‘052 Patent.

COUNT ONE – PATENT INFRINGEMENT

13. Simplification incorporates the allegations set forth in Paragraphs 1-12 above as if set forth at length herein.

14. Defendants have made, used, sold, and/or offered for sale, and continue to make, use, sell, and/or offer for sale, a family of tax preparation software called “TaxCut” as well as the family of online tax preparation (“OTP”) products found at www.hrblock.com and www.taxcut.com, including but not limited to the “TaxCut Online” products, and the methods utilized by such products, throughout the United States, including in the State of Delaware.

15. The TaxCut and OTP products and methods used, sold, and marketed by Defendants have used the technology claimed in the ‘052 Patent and ‘787 Patent (collectively, the “patents-in-suit”).

16. Defendants have infringed and induced others to infringe the patents-in-suit in violation of 35 U.S.C. § 271 by, among other things, making, using, selling and/or offering for sale in the United States the TaxCut and OTP products and methods employing the claimed subject matter of the patents-in-suit, all without authority or license from Simplification. Such acts of infringement have been committed in this judicial district and others, and may continue unless enjoined by this Court.

17. The named inventor of the patents-in-suit, Mr. David Miller, first contacted H&R Block regarding this technology in January 1998. BFC was aware of the ‘052 Patent shortly after its issuance in March, 2001, and discussions directed at the possible purchase by BFC of the ‘052 Patent began at least as early as May, 2001.

18. Despite this knowledge of the ‘052 Patent, and later the ‘787 Patent, BFC and DTS made, used, sold, and/or offered for sale the TaxCut and OTP products and methods employing the claimed subject matter of the patents-in-suit.

19. Simplification has suffered and will continue to suffer damages and irreparable injury as a result of Defendants' infringement.

REQUEST FOR RELIEF

WHEREFORE, Simplification requests that a judgment be entered against Defendants:

- (a) holding Defendants liable for infringement of the patents-in-suit;
- (b) ordering an accounting of damages resulting from Defendants' infringement of the patents-in-suit, together with pre-judgment and post-judgment interest;
- (c) declaring this case exceptional and awarding Simplification its reasonable attorneys' fees, pursuant to 35 U.S.C. § 285;
- (d) awarding Simplification its costs; and
- (e) awarding Simplification such other relief as this Court deems just and proper.

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